CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT

JUNE 4, 1990

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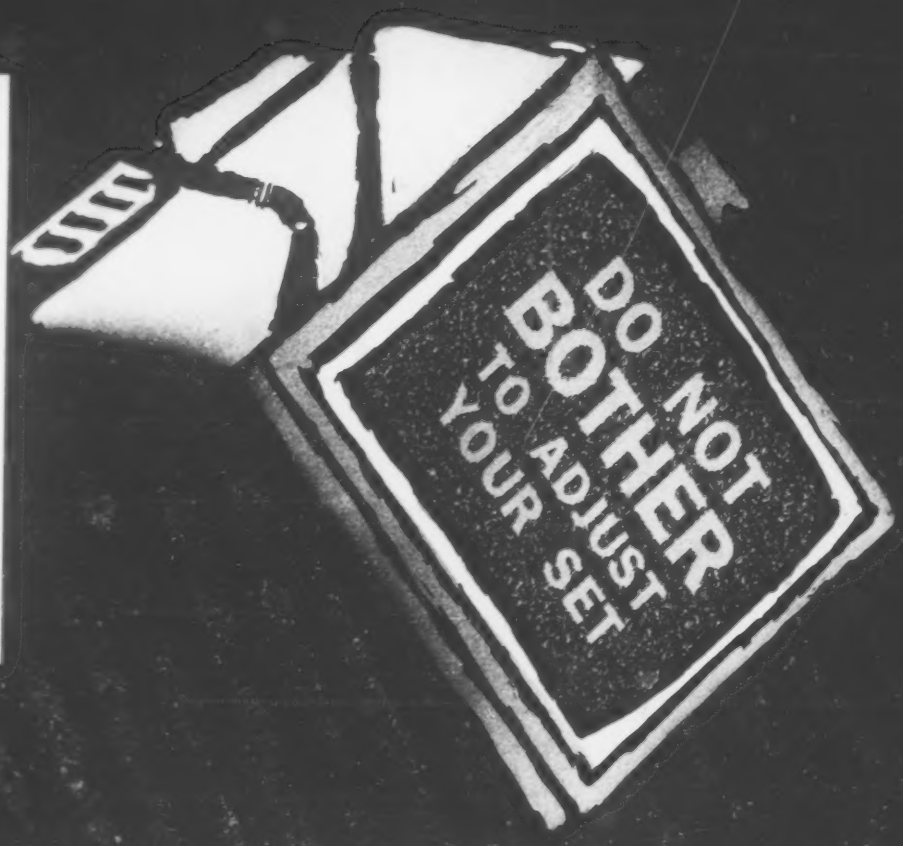
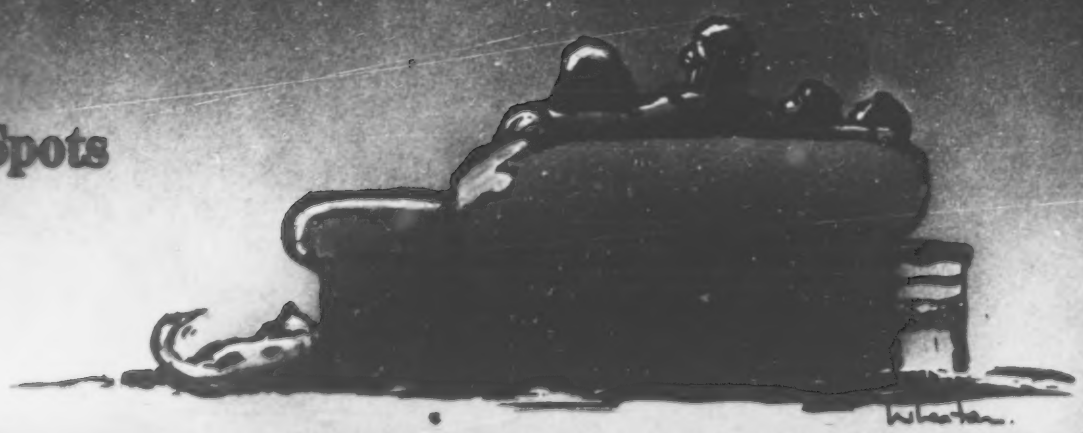


Cooling Off Local Hot Spots



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COVER STORY

ILLUSTRATION BY WHEATON/TAIT

Climbing Out of PR Hell 22

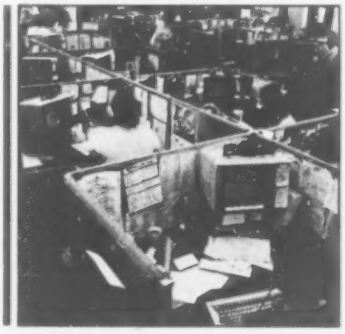
Five once-notorious systems share their uphill struggle in trying to mend a broken image. It's no walk in the park, believe us.

FEATURES

PROGRAMMING 32
Tiering dominated the NCTA convention talk, leaving ops, programmers divided

TECHNOLOGY 36
The challenge of '90s: making change transparent to the customer

POLICY 40
A reregulation bill passed by the end of the congressional term is far from certain



Sacramento Cable's CSRs

OPERATIONS 52
MIS/billing vendors making customers service easier

MANAGEMENT 57
The cable industry has been very, very good to the legal profession

MONEY 63
A surprisingly upbeat mood creeps into cable's financial community

HANDBOOK

When the ad salespeople make more than the GM 45
MSOs grapple with how to attract the best staff and compensate them accordingly

Amnesty campaign nets 1,200 new subs, 1,330 pays .. 46
Illegal hookups respond to ATC's 99-cent offer in Savannah, Ga.

Retirement plans offer tax advantages, security ... 48
Cable companies should consider 401k plans for their employees

DEPARTMENTS

BETWEEN THE LINES .. 8
New York City issues a preliminary denial to renewing Time Warner's two Manhattan franchises; Start-up programming services gain momentum at NCTA convention; CNBC offers ops $3 per head; PBS planning cable net; Syndicators find LO market; Fuchs reports all is well at HBO; convention notebook....

CABLE POLL 72
Enhanced customer service makes headway in some areas of system operation, but not others

CALENDAR 78
BPME's annual conference is this issue's highlight event

PARTING WORDS 82
WIC breakfast puts the really big picture into perspective

SPECIAL NOTICE

CableVision's New York staff is now based at 825 7th Ave., New York, NY 10019. The new phone number is (212) 887-8400; call (212) 887-8585 to fax notices.

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ABP BPA

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Enhanced customer service makes headway in some areas of system operation, but not in others

Improving customer service is a critical priority for cable operators. Local systems' commitment to that priority shows up clearly in some of their operations, but less so in others.

A quarter of systems, for example, according to our February survey of 396 system managers, haven't stopped charging converter rental fees to subscribers with cable ready sets. Another 29 percent either still charge for VCR hookups or haven't begun offering a VCR hookup guide book to their customers. Perhaps most interestingly, larger systems appear to be adopting some of these subscriber-friendly practices more slowly than are small and medium-sized ones.

The poll also found that 43 percent of local operators have replaced signal scrambling with traps, while 51 percent have not. Medium-sized systems, serving between 10,000 and 50,000 subscribers, have embraced this technology more quickly than small (fewer than 10,000 subs) and large systems (more than 50,000 subs). Forty-six percent of medium-sized systems have replaced scrambling with traps, while 42 percent of small ones and 38 percent of the largest ones have.

Number 6 in a series of eight

Second-set connection charges have been eliminated by only 17 percent of local systems. They are still in effect at 82 percent of systems. Among large systems, only 6 percent have eliminated second-set connection charges, while 17 percent of small systems and 14 percent of medium-sized systems have done so.

While three-quarters of small systems have stopped charging converter rental fees for people with cable ready sets, only 59 percent of large systems have done so. Sixty-eight percent of medium-sized systems have eliminated those fees.

A similar pattern holds true with VCR hookups. Seventy percent of small systems have stopped charging for VCR hookups or begun offering a VCR hookup guide. Only 53 percent of large systems and 65 percent of medium-sized systems have done so.

Large systems are ahead of the pack in introducing lifeline services, with 22 percent having done so at the time of our poll. Among medium-sized systems, 18 percent have added a lifeline tier, while 12 percent of small systems have. In total, 15 percent have added lifeline services while 81 percent have not.

Larger operators are more familiar with off-premise technology than are small and medium-sized systems. Among larger systems, 22 percent report they are "very familiar" with the new technology, while 12 percent of medium-sized and 10 percent of small systems are very familiar.

But while many operators still don't understand off-premise technology, nearly 80 percent are at least "somewhat interested" in implementing it at their systems. Among large systems, 36 percent say they are "very interested" in switching to off-premise technology. Another 41 percent say they are "somewhat interested" in doing so.

Systems uninterested in off-premise technology cite expense as their main objection, with 60 percent of small systems saying it is too expensive. Agreeing with them are 47 percent of mid-sized systems and 20 percent of large systems. ■

Has your system eliminated the charge for a second set connection?

	Total	Less 10K	10K -50K	Over 50K
Total	396	203	137	32
Yes	66	34	19	2
No	326	167	117	29
Don't Know	4	2	1	1

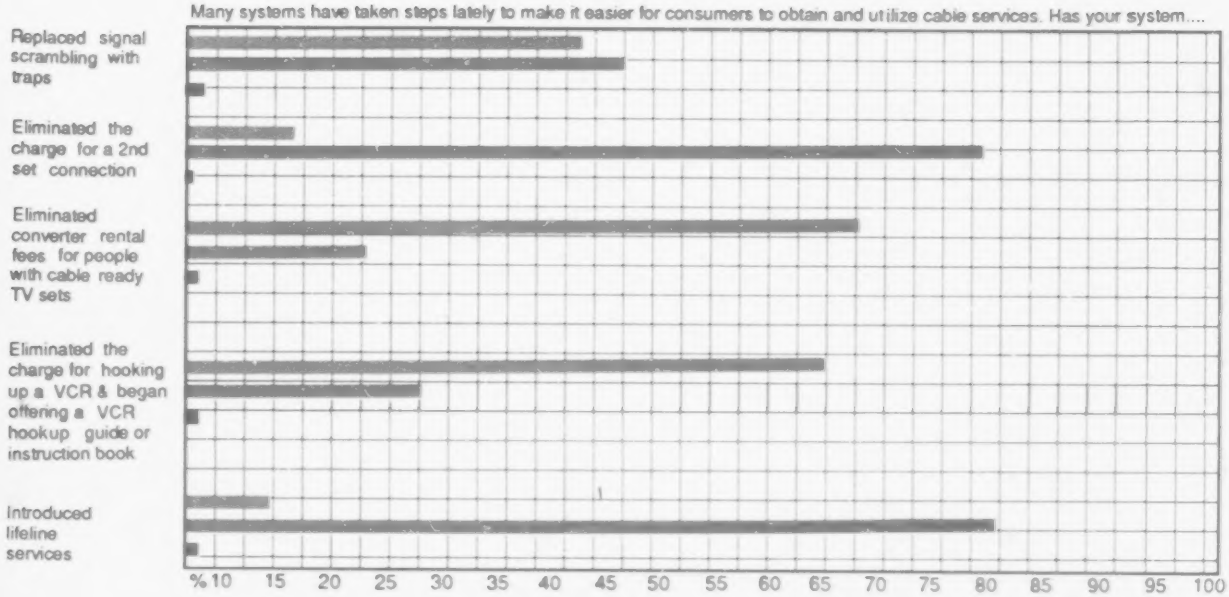
Has your system introduced lifeline services?

	Total	Less 10K	10K -50K	Over 50K
Total	396	203	137	32
Yes	60	25	24	7
No	319	171	107	23
Don't Know	17	7	6	2

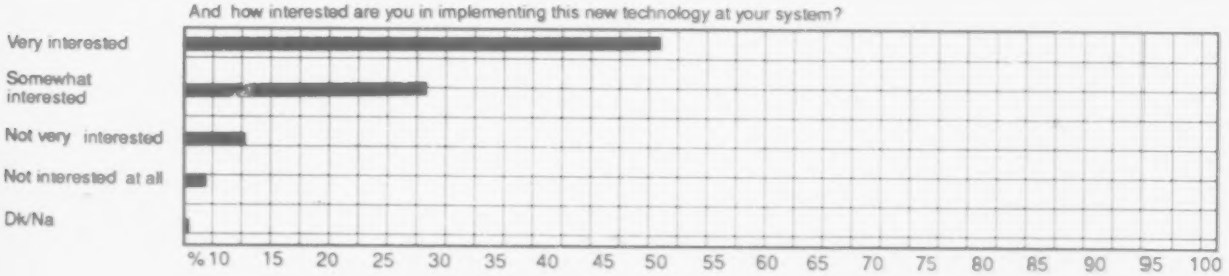
HOW THE POLL WAS CONDUCTED: The Cable Poll™ is conducted for Midwest CATV and *CableVision* magazine by Ryan/Samples Research Inc. Telephone interviews for this edition of the poll were conducted Feb. 1-15 with a random sample of 396 system management personnel obtained from CableFile Research. Cable Poll™ researchers are 95 percent confident that the results are an accurate reflection of the total industry within plus or minus 5 percentage points.

Adding up your answers:

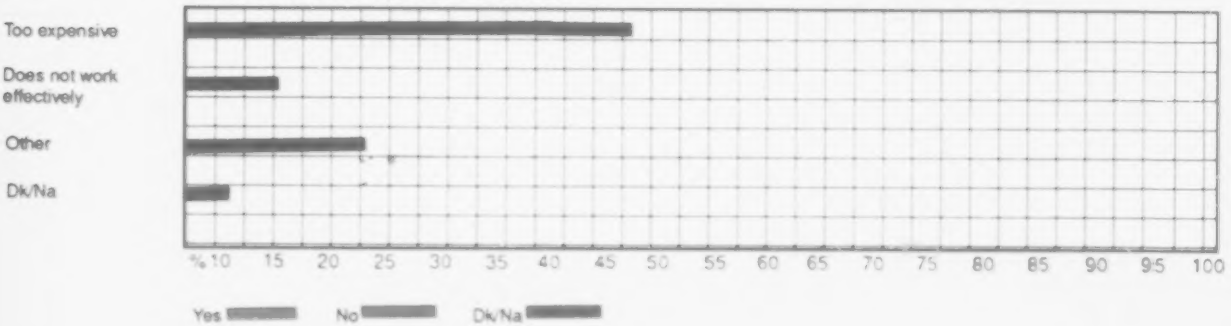
Many systems have taken steps lately to make it easier for consumers to obtain and utilize cable services. Has your system....


Replaced signal scrambling with traps
Eliminated the charge for a 2nd set connection
Eliminated converter rental fees for people with cable ready TV sets
Eliminated the charge for hooking up a VCR & began offering a VCR hookup guide or instruction book
Introduced lifeline services
% 10 15 20 25 30 35 40 45 50 55 60 65 70 75 80 85 90 95 100

And how interested are you in implementing this new technology at your system?


Very interested
Somewhat interested
Not very interested
Not interested at all
Dk/Na
% 10 15 20 25 30 35 40 45 50 55 60 65 70 75 80 85 90 95 100

What is the main reason you are not interested?



Yes No Dk/Na

DATABASE

Subscriber Count

Satellite national services

Basic services	Affiliates	Subscribers
ACTS Satellite Network	450	9,200,000
Alternate View Network	300	4,500,000
American Movie Classics	2,100	26,000,000
Arts & Entertainment Network (A&E)	5,800	46,500,000
Black Entertainment Television	2,150	26,000,000
Bravo	400	4,000,000
CNBC	950	14,800,000
Cable News Network	12,590	55,097,000
Channel America	3	67,529
C-SPAN	3,800	49,700,000
C-SPAN II	750	20,700,000
The Comedy Channel	500	6,000,000
Country Music Television	1,878	10,544,117
The Discovery Channel	7,535	50,367,000
E! Entertainment TV	500	14,000,000
ESPN	21,500*	56,084,000
Eternal Word Television Network	650	14,100,000
The Family Channel	8,774	49,598,000
Family Guide Network	60	5,000,000
FamilyNet	356	4,031,155
Financial News Network	3,550	33,000,000
FNN Sports	2,000	23,000,000
Galavision/Eco	310	2,500,000
HA! TV	229	5,000,000
Headline News	4,671	41,000,000
Home Shopping Network	1,500	17,000,000
Home Shopping Network II	400	7,000,000
The Inspirational Network	834	6,800,000
International Television Network	25	7,868,900
J.C. Penney TV Shopping Channel	900	13,000,000
KTVT	481	3,600,000
The Learning Channel	1,228	19,200,000
Lifetime	4,700	49,094,000
Mind Extension University	198	8,000,000
Mizlou Sports News Network	N.A.	5,000,000
MTV	6,220	51,545,000
The Nashville Network	9,376	50,328,000
National College Television	500	5,600,000
Nick At Nite	3,725	46,500,000
Nickelodeon	7,100	51,529,000
The Nostalgia Channel	430	8,540,000
Prevue Guide	610	15,243,208
Prime Network (new)**	1	85,000
QVC Network	3,000	35,000,000
RFD TV	30	2,182,190
Silent Network	209	14,600,000
SportsChannel America	35	2,320,000
TBS Superstation	13,351	54,536,000
Telemundo***	8	110,000
TNT	5,068	43,700,000
The Travel Channel	570	15,000,000
Trinity Broadcasting Network	903	12,800,000
Univision***	533	509,500
USA Network	10,100	52,824,000
VH-1	3,505	35,300,000
Vision Interfaith Satellite Network	417	7,500,000
The Weather Channel	4,000	44,274,000
WGN-TV	12,248	31,000,000
WPIX-TV	723	10,000,000
WSBK-TV	150	2,000,000
WWOR-TV	3,013	13,013,000
Pay services		
Cinemax	5,200	6,400,000
The Disney Channel	6,100	5,003,000
Home Box Office	8,500	17,300,000
The Movie Channel	3,250	3,000,000
Showtime	6,000	7,300,000
Audio services		
AEI Lifestyle	142	2,578,838
AEI StarTracks Vocal Hits	26	854,390
C-SPAN Audio Network	8	548,100
C-SPAN Audio Network II	4	440,700
Cable Radio Network	65	2,311,692
Galatic Radio	165	4,500,000
KKJZ Super Jazz	20	249,804
Moody Bible Institute	63	1,058,368
Satellite Radio Network	237	483,000
Tempo Sound	125	1,250,000
WFMT Chicago	170	1,453,861
Text services		
AP News Cable	185	2,500,000
AP Business Plus	54	1,400,000
AP News Plus	75	2,100,000
Cable SportsTracker	40	1,175,870
EPG	127	4,513,707
EPG Jr.	376	420,381
Reuters NewsView	127	2,437,000
Story Vision Network****	40	2,100,000
Computer services		
DBC/MarketWatch	462	N.A.
Electric Toy Box	600	N.A.
X*Press Executive	545	30,000
X*Press X*Change	>45	N.A.
Cross-channel promotion services		
NuStar	351	10,097,742
Prime Time Tonight	400	7,200,000

Non satellite-fed national services

Basic services	Affiliates	Subscribers
Consumer Classified Ad Network	3	195,000
Fuji Network	3	12,000
Vector Consumer Shopping Guide	9	325,000
Pay services		
Nippon Golden Network	5	13,600

Interactive services

Basic services	Affiliates	Subscribers
Video Jukebox Network	55	5,000,000

Regional services

Basic services	Affiliates	Subscribers
Arizona Sports Programming Network	N.A.	308,000
Atlanta Interfaith	3	225,000
Bay Area Religious Channel	6	113,000
Cable TV Network of New Jersey	54	1,500,000
The Ecumenical Channel	9	170,000
Florida Tourism Channel	20	754,000
KBL Entertainment Network	67	1,200,000
Life Newsvision	35	50,000
Madison Square Garden Network	172	3,600,000
Meadows Racing Network	17	700,000
News 12 Long Island	4	601,000
Midwest Sports Channel	90	275,000
Niagara Frontier Sports Network	13	800,000
Northwest Cable Sports Network	3	700,000
Pacific Sports Network	N.A.	1,000,000
Pennarama	28	750,000
Prime Sports Network	108	675,000
Prime Sports Network (Midwest/new)	N.A.	N.A.
Prime Sports Network (Northwest)	65	1,300,000
Prime Sports Network (Rocky Mountain/new)	N.A.	7,000,000
Prime Sports Network (Upper Midwest/new)	N.A.	N.A.
Prime Sports Network (Utah)	26	290,000
Prime Ticket	163	3,800,000
SportsChannel (Bay Area/new)	N.A.	N.A.
SportsChannel (Chicago)	70	1,600,000
SportsChannel (Cincinnati/new)	2	70,000,000
SportsChannel (Ohio)	11	610,000
SportsChannel (Philadelphia)	37	850,000
Sunshine Network	200	2,900,000
Pay services		
Home Sports Entertainment	475	2,200,000
Home Team Sports	180	1,500,000
New England Sports Network	171	320,000
Prism	87	470,000
Pro-Am Sports	212	625,000
SportsChannel (Florida)	54	950,000
SportsChannel (Los Angeles)	76	125,000
SportsChannel (New England)	164	1,200,000
SportsChannel (New York)	115	1,300,000

Note: Figures for affiliate/subscriber counts will be updated quarterly unless information is provided by the service. Send information to: CableVision, Cable Stats, 825 7th Avenue, New York, NY 10019.

N.A. denotes information not available. *Includes MMDS and SMATV systems. **Count represents standalone affiliates/subscribers; portions are carried on various regional sports networks. ***Spanish-speaking households. **** Formerly Genesis Storytime.

DATABASE

Cable Network Ad Performance

March 1990 billings	March 1989 billings	Year-to-year dollar change	Year-to-year percent change
$98,482,367	$86,465,809	$12,016,558	12.2%

1st Quarter 1990 billings	1st Quarter 1989 billings	Year-to-year dollar change	Year-to-year percent change
$255,538,338	$216,116,628	$39,421,710	15.4%

Top 10 cable net sponsors/March 1990

1.	Time Warner	$4,669,607	6.	General Mills	$2,079,296
2.	Proctor & Gamble	4,428,875	7.	Sears	1,723,357
3.	Philip Morris	3,313,789	8.	General Motors	1,601,801
4.	Anheuser-Busch	2,268,214	9.	Pepsico	1,532,139
5.	RJR Nabisco	2,096,634	10.	Mars Inc.	1,453,040

Top 10 cable net sponsors/1st Quarter 1990

1.	Time Warner	$14,732,344	6.	RJR Nabisco	$6,527,846
2.	Proctor & Gamble	11,812,323	7.	Anheuser-Busch	6,035,300
3.	General Mills	7,349,360	8.	Sears	4,087,680
4.	General Motors	6,989,542	9.	Mars Inc.	3,350,155
5.	Philip Morris	6,736,417	10.	AT & T	2,922,420

Source: Broadcast Advertising Reports data; figures represent combined billings of CNN, ESPN, Family Channel, MTV, USA and TBS Superstation

	1st Quarter 1990 billings	1st Quarter 1989 billings	Year-to-year dollar change	Year-to-year percent change
CNN	$34,011,105	$30,495,779	$ 3,515,326	10.3%
ESPN	63,580,798	42,426,808	21,153,890	33.2%
FAMILY	26,022,370	22,699,833	3,322,537	12.7%
MTV	25,217,741	25,320,101	- 102,360	- .4%
TBS	57,873,406	59,518,384	- 1,644,978	- 2.7%
USA	48,832,918	35,655,623	13,177,295	26.9%

Source: Broadcast Advertising Reports data

Subscriber Universe Estimates

	Total TV households	Cable TV households	Homes passed	Cable percent of TV households
A.C. Nielsen	92,100,000	53,238,990	N.A.	57.8%
Arbitron	91,770,000	51,812,000	N.A.	56.5%
Paul Kagan Associates	90,800,000	49,800,000	N.A.	54.8%

Subscriber numbers as of 3/90
Nielsen figures include Alaska & Hawaii